

9/7/05

0605-287

Lyle Papenfuss

To: Honorable Donald E. Powell / Chairman / Federal Deposit Insurance Corp
Cc: Mr. John F. Carter / Regional Director / Federal Deposit Insurance Corp
Subject: Wal-Mart FDIC Application # 20051977

Dear Chairman Powell and Mr. Carter:

I am writing you to oppose the application of Wal-Mart to enter the banking business and urge you to deny the application.

As you well know, there is a conflict of interest inherent in mixing the banking and commerce. The Wal-Mart application presents a prime example of the dangers of concentration of resources and impaired credit availability that flow from allowing a commercial company such as Wal-Mart to own a bank or ILC.

A Wal-Mart owned bank will not be able to look at other factors beyond a consumer's credit score to understand the customer's individual circumstances and cannot make the customer a loan based on a long-standing relationship and personal knowledge of the customer - something community banks do every day.

Moreover, there is the danger that Wal-Mart will export deposits out of the local community.

The Wal-Mart application illustrates that the affiliation of banks and nonbanking companies presents conflicts of interest and safety and soundness concerns.

I strongly urge you to deny this application for the above reasons.

Respectfully submitted,

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